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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

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FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2019 AND ENDING 12/31/2019
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: The Spartan Group LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

16 North Marengo Avenue, Suite #307

(No. and Street)

Pasadena

California

91101

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

John Johnson

(628) 204-6380

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Brian W. Anson, CPA

(Name - if individual, state last, first, middle name)

18401 Burbank Blvd. #120

Tarzana

SEC
Mail Processing
California
Section

91356

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

FEB 27 2020
Washington DC
413

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, John Johnson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of The Spartan Group LLC, as of December 31 2019, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

~~Signature~~

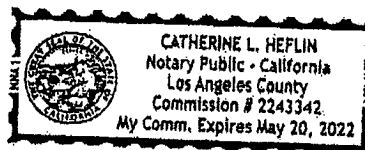
Managing Director

Title

Notary Public

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
☒ (b) Statement of Financial Condition.
☐ (c) Statement of Income (Loss).
☐ (d) Statement of Changes in Financial Condition.
☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
☐ (g) Computation of Net Capital.
☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
☒ (l) An Oath or Affirmation.
☐ (m) A copy of the SIPC Supplemental Report.
☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.



***For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California)

County of Los Angeles)

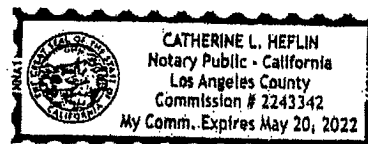
On February 21, 2020 before me, Catherine L. Hefflin, notary public,
(here insert name and title of the officer)

personally appeared John O. Johnson

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature

Catherine L. Hefflin

(Seal)

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document

titled/for the purpose of Annual Audited Report,

Facing Page

containing 2 pages, and dated 12.31.2019

The signer(s) capacity or authority is/are as:

☒ Individual(s)

☐ Attorney-In-Fact

☐ Corporate Officer(s)

Title(s)

☐ Guardian/Conservator

☐ Partner - Limited/General

☐ Trustee(s)

☐ Other:

representing:

Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:

☒ Form(s) of identification ☐ Credible witness(es)

Notarial event is detailed in notary journal on:

Page # 77 Entry # 7

Notary contact: 626.664.6224

Other

☐ Additional Signer(s)

☐ Signer(s) Thumbprint(s)

☐

BRIAN W. ANSON

Certified Public Accountant

18401 Burbank Blvd., Suite 120, Tarzana, CA 91356 • Tel. (818) 636-5660 • Fax (818) 401-8818

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders' and Board of Members of The Spartan Group, LLC

Opinion on the Financial Statements

I have audited the accompanying statement of financial condition of The Spartan Group, LLC as of December 31, 2019, the related statements of operations, changes in members' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the financial statements). In my opinion, the financial statements present fairly, in all material respects, the financial position of The Spartan Group, LLC as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of The Spartan Group, LLC's management. My responsibility is to express an opinion on The Spartan Group, LLC's financial statements based on my audit. I am a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and am required to be independent with respect to The Spartan Group, LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

I conducted my audit in accordance with the standards of the PCAOB. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. My audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. My audit also included evaluating the accounting principles used and significant estimates made by management, as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my opinion.

Auditor's Report on Supplemental Information

The information contained in Schedule I, II, and III ("Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of the The Spartan Group, LLC's financial statements. The Supplemental Information is the responsibility of the The Spartan Group, LLC's management. My audit procedures included determining whether the Supplemental Information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the Supplemental Information. In forming my opinion on the Supplemental Information, I evaluated whether the Supplemental Information, including its form and content is presented in conformity with 17 C.F.R. § 240.17a-5. In my opinion, Schedules I, II, and III are fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Brian W. Anson

Certified Public Accountant

I have served as The Spartan Group, LLC's auditor since 2014.

Tarzana, California

January 27, 2020

The Spartan Group LLC

Report Pursuant to Rule 17a-5 (d)

Financial Statements for the Year Ended December 31, 2019

PUBLIC COPY

The Spartan Group LLC
Report Pursuant to Rule 17a-5(d)
Financial Statements and Reporting for the Year Ended 12/31/19
(Public Version)

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The Spartan Group LLC

Statement of Financial Condition

December 31, 2019

Assets

Cash	\$	513,921
Accounts receivable		61,592
Fixed assets, net of accumulated depreciation:		
Equipment and furniture		18,059
Leasehold improvements		5,685
Total fixed assets, net of \$81,934 in accumulated depreciation		<u>23,744</u>
Prepaid expenses		52,964
Present-value of leasehold right-of-use asset		187,541
Rent deposit		<u>5,658</u>
Total assets	\$	<u>845,420</u>

Liabilities and members' equity

Liabilities

Accrued liabilities	\$	820
Present-value of lease liability		<u>187,541</u>
Total liabilities		<u>188,361</u>

Members' equity

Total members' equity		<u>657,059</u>
Total liabilities and members' equity	\$	<u>845,420</u>

The accompanying notes are an integral part of these financial statements

The Spartan Group LLC

**Notes to Financial Statements
Year Ended December 31, 2019**

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Spartan Group LLC (the "Company") is a Limited Liability Company operating as a registered broker/dealer in securities under the Securities and Exchange Act of 1934. The Company is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation. The Company raises capital for corporate clients as a placement agent on a best-efforts basis and provides advisory services for mergers and acquisitions.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3(k)(2)(i), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers. Accordingly, the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

Summary of Significant Accounting Policies - General

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Accounts receivable are stated at face amount with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial.

Equipment is stated at cost. Repairs and maintenance to these assets are charged to expense as incurred; major improvements enhancing the function and/or useful life are capitalized. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized. Equipment is depreciated over its estimated useful life of three (3) to five (5) years by the straight-line method. Purchases over \$3,500 are capitalized.

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through the date the financial statements were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements. Management has reviewed subsequent events through January 27, 2020.

The Spartan Group LLC

Notes to Financial Statements Year Ended December 31, 2019

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or liability occurs on a principal market, or in the absence of a principal market, on the most advantageous market for the asset or liability. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820 are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available under the circumstances and may include the Company's own data.)

As of December 31, 2019, the Company had no levels to measure.

Summary of Significant Accounting Policies – Revenue

A. Significant Accounting Policy

Revenue is measured based on a consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer.

Taxes and regulatory fees assessed by a government authority or agency that are both imposed on and concurrent with a specified revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

The Spartan Group LLC

Notes to Financial Statements Year Ended December 31, 2019

B. Nature of Services

The following is a description of activities – separated by reportable segments, per FINRA Form “Supplemental Statement of Income (SSOI)” from which the Company generates its revenue. For more detailed information about reportable segments, see the Company’s Form SSOI.

Fees earned: This includes fees earned from affiliated entities; investment banking fees, M&A advisory; account supervision and investment advisory fees; administrative fees, revenue from research services; rebates from exchanges/ECN and ATS; 12b-1 fees; Mutual fund fees other than concessions or 12b-1 fees; execution service fees; clearing services; fees earned from customer bank sweep into FDIC insured products or from ‘40 Act companies and networking fees from ‘40 Act companies.

Net Gains or Losses on Principal Trades: This includes all realized and unrealized gains and losses from proprietary trading and market making activities and net gains or losses from “riskless” principal transactions.

Interest/Rebate/Dividend Income. This includes rebates and/or interest earned on Securities borrowings; reverse repurchase transactions; Margin interest; interest earned from customer bank sweep into FDIC insured products and ‘40 Act investments and any interest and/or dividends on securities held in the Company’s inventory

Other revenue: This includes other revenue from other sources.

Note 2: INCOME TAXES

The Company operates as a Limited Liability Company treated as a partnership for tax purposes. As such, the Company is subject to a limited liability company gross receipts tax imposed by the State of California, with a minimum franchise tax. In 2019, the Company paid \$6,800 in such taxes.

The Company is required to file income tax returns in both federal and state tax jurisdictions. The Company’s tax returns are subject to examination by taxing authorities in the jurisdictions in which it operates in accordance with the normal statutes of limitations in the applicable jurisdiction. For federal purposes, the statute of limitations is three years. Accordingly, the company is no longer subject to examination of federal returns filed more than three years prior to the date of these financial statements. The statute of limitations for state purposes is generally three years, but may exceed this limitation depending upon the jurisdiction involved. Returns that were filed within the applicable statute remain subject to examination.

The Spartan Group LLC

**Notes to Financial Statements
Year Ended December 31, 2019**

Note 3: OCCUPANCY AND LEASE OBLIGATION

The Company leases office space in Pasadena, California subject to a lease that expires at the end of May 2022. Rent expense in 2019 was \$74,167.

The Company has adopted ASC Topic 842. The Right of Use asset is for the office lease at 16 North Marengo Avenue, Suite 307, Pasadena, California 91101. The present value as of December 31, 2019 of \$187,541 was calculated using a 5.0% annual discount rate.

Under its existing real-estate lease, the Company is obligated to pay the following minimum rents:

Minimum rent due under existing lease:

2020	\$	71,576
2021		89,499
2022		<u>38,279</u>
Total	\$	<u>199,354</u>

Note 4: FIXED ASSETS

The table below summarizes the Company's investment in fixed assets as of December 31, 2019.

Fixed Assets at December 31, 2019

Fixed assets at original cost	
Equipment and furniture	\$ 60,198
Leasehold improvements	<u>45,480</u>
Total fixed assets at original cost	105,678
Less: Accumulated depreciation	<u>(81,934)</u>
Net fixed assets	<u>\$ 23,744</u>

The Spartan Group LLC

**Notes to Financial Statements
Year Ended December 31, 2019**

The Company is depreciating for book purposes equipment and furniture over five years and leasehold improvements over four years. In 2019, depreciation expense totaled \$23,409.

The Spartan Group LLC

**Notes to Financial Statements
Year Ended December 31, 2019**

Note 5: NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Net capital and aggregate indebtedness change day to day, but on December 31, 2019 the Company had net capital of \$513,101 which was \$508,101 in excess of its required net capital of \$5,000; and the Company's ratio of aggregate indebtedness (excluding the net present value of lease liability) to net capital was 0.002 to 1, which is less than the 15 to 1 maximum allowed.